



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.09

Voluntary Report - public distribution

Date: 5/10/2006

GAIN Report Number: IS6010

Israel

Poultry and Products

Avian Influenza, Third Report

2006

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Report Highlights:

Almost 1.3 million birds have been destroyed since the outbreak of Avian Influenza (H5N1) in Israel in March 2006. This number is equal to production of 2,000 tons of poultry meat out of a total monthly production of almost 40,000 tons. As of April 11, 2006 the GOI completed compensation to owners of destroyed flocks, covering direct damage only, as according to law. The government has transferred direct compensation of \$4.6 million.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Tel Aviv [IS]
[IS]

Incidents in Israel

On March 16, 2006 the Ministry of Agriculture (MOA) confirmed that the two first cases of Avian Influenza (H5N1) were found in the south of the country (Ein Hashlosha and Holit). On March 20, MOA confirmed broilers and layers confirmed positive for AI. Until then only turkey farms were found positive. To date nine locations of Avian Influenza were found in Israel. These sites are: Ein Hashlosha, Holit, Ami Oz, Nir Oz, Sde Moshe and Kerem Shalom in the south of Israel; Nahson and Ma'aleh Hahamisha near Jerusalem; and Moshav Beka'ot in the Jordan valley. The last case was reported on March 30 in Kerem Shalom. The Ministry of Agriculture announced that approximately 1.3 million birds were destroyed, including turkeys, broilers, layers and breeding stock (broilers and turkeys). No human cases of bird flu have been reported in Israel.

Government Immediate Response

All birds within the "first circle" (3 km from infected farms) were destroyed. All suspected farms were isolated and removal of poultry was prohibited from the areas surrounding the infected farms within a 10 km radius. Side roads in the area were closed by police and Ministry of Agriculture officials inspected traffic on main roads. The birds were slaughtered by poison added to their drinking water, after fluids were withheld for a long period. The carcasses were deposited in six-meter deep pits insulated with plastic. A production suspension was implemented on the AI sites to continue for thirty days from the end of the disinfections process, and particularly, for 90 days following the slaughter. Initially the process of culling and evacuating the carcasses was slow due to manpower and equipment shortages. Workers and truck drivers refused to work, as they were afraid of contracting the virus. In order to aid the process, approximately 160 contract workers from the Defense Ministry joined the destruction efforts on March 21. The government allocated \$1.1 million for the additional manpower.

Local Production and Consumer Eating Habits

Of the total local monthly poultry meat production (almost 40,000 tons), 2,000 tons/month (5 percent) of poultry meat were destroyed. Domestic poultry meat consumption, after the outbreaks of avian flu, decreased slightly. On the other hand the Passover holiday in April, when traditional meals include poultry, saw demand for poultry meat increase. In total no significant shortage of poultry meat was reported. The outbreak of bird flu caused a temporary increase in food prices, especially those of beef, fish and soy based meat substitutes. According to a local survey, 62 percent of the Israeli public did not make any significant change in their poultry consumption and eating habits, compared to 38 percent who did make some changes due to the outbreak in Israel. It was found that families with children appear to have made more changes in their consumption habits than others.

Approximately 80 percent of Israel's poultry consumption comprises fresh meat. An estimated 4,090 poultry growers make up the local poultry industry. Local consumption of chicken and turkey per capita stands at 36 kg and 10 kg per year, respectively. In addition, Israeli consumption of eggs per capita totaled 238 eggs per year.

Compensation Plan

In the beginning of the AI outbreak the GOI announced a compensation plan. On April 11, 2006 the government had completed compensation to owners of the destroyed flocks, according to the law, covering only direct damage. The government transferred direct compensation of NIS 20.6 million (about \$4.6 million). In addition, a special committee will discuss compensation for the indirect damages breeders suffered following the outbreak.

Compensation was according to poultry type and age. The maximum compensation per turkey, male or female of marketing age totaled \$23.71 and \$12.05 respectively; \$2.5 for a broiler; and \$5.94 for a layer (see annex 1-4). The Israeli poultry industry asked that the outbreak of avian influenza be declared a "natural disaster" thereby increasing compensation, the Israeli Ministry of Agriculture however, declined to do so.

Bird Flu Cost:

	NIS - Million	\$ - Million	Percent
Culled Birds (already paid)	20.60	4.60	24.8
Killing and Burial	7.00	1.55	8.3
Disinfections and Cleaning	5.00	1.11	6.0
Production Suspension	28.00	6.22	33.5
Feed Destruction (about 1,200 tons)	0.30	0.07	0.4
Hatcheries Compensated for Destructions of Chicks	22.50	5.00	27.0
Slaughterhouse (one)	0.50	0.11	0.6
Total	83.40	18.55	100.0

Trade

Following the announcement of the first Israeli AI cases, the EU banned the import of live poultry, poultry meat, eggs and poultry products, although heat-treated poultry products from Israel were still allowed. All meat and meat products from poultry slaughtered before 15 February, were also exempt. According to EU figures, the EU imported approximately 1.8 million euros' (\$2.2 million) of live poultry from Israel in recent years.

Palestinian Authority

On March 22, the Palestinian Authority (PA) declared that the AI virus was found at two farms in their territory, this later spread to four farming locations. Palestinian officials have co-operated with the Israeli authorities to contain the outbreaks of the AI, with Israeli health authorities running diagnostic tests on birds from Gaza. Israeli tests confirmed the presence of the AI in poultry in the Gaza Strip. There have been no confirmed outbreaks in the West Bank. No AI human cases have been reported in the Palestinian territories.

Initially Palestinians refused to cull birds, due to the fact that they would not be compensated. The World Bank announced it would provide Palestinian chicken farmers more than \$2 million as immediate compensation for bird flu damages. The aid followed a request by the Israeli Foreign Minister, who requested the World Bank encourage Palestinians to cull infected chickens, fearing that without international intervention they would fail to do so. As a result, approximately 360,000 birds have been culled. The slow killing of the infected

flocks may affect Israeli flocks. The Israeli Health Ministry gave the Palestinian Authority 300 doses of 'Tamiflu' tablets, which are designed to combat the deadly H5N1 bird flu virus. The medicine was transferred to the Gaza Strip by means of the District Coordination Office (DCO) at the Erez checkpoint. The decision to give the PA the medicine was the result of a request issued by a World Health Organization to the Israeli Health Ministry. Due to a shortage of safety gear in the PA, the GOI sent equipment to the Palestinians. In addition, training CD's were forwarded to the PA.

Annex 1: Compensation Table - Broilers

Age Weeks	Value	
	NS/bird	\$ ¹ /bird
1 day	1.91	0.42
1	3.27	0.71
2	4.64	1.01
3	6.01	1.31
4	7.38	1.60
5	8.75	1.90
6	10.12	2.20
7	11.49	2.50

Annex 2: Compensation Table - Turkeys

Week	Value					
	NS/bird			\$ /bird		
	Male	Female	Mixed	Male	Female	Mixed
1 Day	15.38	4.70	10.04	3.34	1.02	2.18
1	18.25	8.44	13.35	3.97	1.84	2.90
2	19.93	10.22	15.07	4.33	2.22	3.28
3	21.74	12.17	16.95	4.73	2.64	3.69
4	23.94	14.33	19.13	5.20	3.11	4.16
5	26.41	16.84	21.62	5.74	3.66	4.70
6	29.12	19.67	24.40	6.33	4.28	5.30
7	32.98	23.07	28.02	7.17	5.02	6.09
8	36.99	25.88	31.44	8.04	5.63	6.83
9	41.43	29.01	35.22	9.01	6.31	7.66
10	46.24	32.76	39.50	10.05	7.12	8.59
11	51.44	36.89	44.16	11.18	8.02	9.60
12	56.96	41.30	49.13	12.38	8.98	10.68
13	62.92	45.71	54.31	13.68	9.94	11.81
14	68.91	50.40	59.66	14.98	10.96	12.97
15	75.11	55.41	65.26	16.33	12.05	14.19
16	80.57	55.41	67.99	17.52	12.05	14.78
17	87.89			19.11		
18	94.47			20.54		
19	101.74			22.12		
20	109.05			23.71		
21	109.05			23.71		

¹ Exchange Rate, 1 USA Dollar=4.60 New Israeli Shekel

Annex 3: Compensation Table- Layers

	Begin Week	Value	
		NS/bird	\$/bird
1 Day	1	4.98	1.08
Young Hen	2	6.65	1.45
	3	7.48	1.63
	4	8.31	1.81
	5	9.15	1.99
	6	9.98	2.17
	7	10.81	2.35
	8	11.64	2.53
	9	12.48	2.71
	10	13.31	2.89
	11	14.14	3.07
	12	14.97	3.26
	13	15.81	3.44
	14	16.64	3.62
	15	17.47	3.80
	16	18.30	3.98
Rown Hen	17	19.31	4.20
	18	20.31	4.42
	19	21.31	4.63
	20	22.32	4.85
	21	23.32	5.07
	22	24.32	5.29
	23	25.33	5.51
	24	26.33	5.72
	25	27.33	5.94
Layer A	26	27.17	5.91
	27	26.95	5.86
	28	26.68	5.80
	29	26.35	5.73
	30	25.99	5.65
	31	25.60	5.57
	32	25.20	5.48
	33	24.79	5.39
	34	24.38	5.30
	35	23.97	5.21
	36	23.55	5.12
	37	23.14	5.03
	38	22.73	4.94
	39	22.33	4.85
	40	21.92	4.77
	41	21.52	4.68
	42	21.12	4.59
	43	20.73	4.51
	44	20.34	4.42

	45	19.96	4.34
	46	19.58	4.26
	47	19.20	4.17
	48	18.83	4.09
	49	18.46	4.01
	50	18.10	3.94
	51	17.74	3.86
	52	17.39	3.78
	53	17.04	3.70
	54	16.69	3.63
	55	16.35	3.55
	56	16.01	3.48
	57	15.68	3.41
	58	15.36	3.34
	59	15.04	3.27
	60	14.72	3.20
	61	14.42	3.13
	62	14.12	3.07
	63	13.82	3.00
	64	13.53	2.94
	65	13.24	2.88
	66	12.96	2.82
	67	12.70	2.76
	68	12.43	2.70
	69	12.18	2.65
	70	11.94	2.60
Defeathering	71	11.71	2.55
Defeathering	72	12.99	2.82
Defeathering	73	14.27	3.10
Defeathering	74	15.55	3.38
Defeathering	75	16.82	3.66
Defeathering	76	18.10	3.94
Defeathering	77	19.38	4.21
Defeathering	78	20.66	4.49
Layers B	79	21.94	4.77
	80	21.69	4.72
	81	21.37	4.65
	82	20.97	4.56
	83	20.47	4.45
	84	19.93	4.33
	85	19.35	4.21
	86	18.75	4.08
	87	18.13	3.94
	88	17.51	3.81
	89	16.90	3.67
	90	16.28	3.54
	91	15.66	3.40

	92	15.05	3.27
	93	14.44	3.14
	94	13.84	3.01
	95	13.23	2.88
	96	12.64	2.75
	97	12.04	2.62
	98	11.46	2.49
	99	10.89	2.37
	100	10.31	2.24
	101	9.75	2.12
	102	9.19	2.00
	103	8.64	1.88
	104	8.11	1.76
	105	7.57	1.65
	106	7.04	1.53
	107	6.51	1.42
	108	5.99	1.30
	109	5.47	1.19
	110	4.97	1.08
	111	4.47	0.97
	112	3.99	0.87
	113	3.51	0.76
	114	3.04	0.66
	115	2.58	0.56
	116	2.13	0.46
	117	1.68	0.37
	118	1.24	0.27
	119	0.82	0.18
	120	0.40	0.09

Annex 4: Compensation Table - Heavy Parent Stock Layer

	Begin	Value	
	Week	NS/bird	\$/bird
Young hen	1	16.19	3.52
	2	17.75	3.86
	3	19.32	4.20
	4	20.88	4.54
	5	22.44	4.88
	6	24.01	5.22
	7	25.57	5.56
	8	27.14	5.90
	9	28.70	6.24
	10	30.26	6.58
	11	31.83	6.92
	12	33.39	7.26
	13	34.95	7.60
	14	36.52	7.94
	15	38.08	8.28
	16	39.64	8.62
	17	41.21	8.96
	18	42.77	9.30
Grown Hen	19	44.53	9.68
	20	46.29	10.06
	21	48.05	10.45
	22	49.81	10.83
	23	51.57	11.21
	24	53.33	11.59
	25	55.09	11.98
	26	56.85	12.36
Layer A	27	56.82	12.35
	28	56.36	12.25
	29	55.71	12.11
	30	54.63	11.88
	31	53.22	11.57
	32	51.72	11.24
	33	50.11	10.89
	34	48.44	10.53
	35	46.79	10.17
	36	45.14	9.81
	37	43.51	9.46
	38	41.91	9.11
	39	40.34	8.77
	40	38.79	8.43
	41	37.26	8.10
	42	35.76	7.77
	43	34.28	7.45
	44	32.83	7.14

Defeather Defeather Defeather Defeather Defeather Defeather Defeather Defeather Layer B	45	31.40	6.83
	46	30.00	6.52
	47	28.64	6.23
	48	27.29	5.93
	49	25.97	5.65
	50	24.68	5.37
	51	23.42	5.09
	52	22.18	4.82
	53	20.97	4.56
	54	19.79	4.30
	55	18.63	4.05
	56	17.50	3.80
	57	16.39	3.56
	58	15.32	3.33
	59	14.28	3.11
	60	13.27	2.89
	61	12.29	2.67
	62	11.34	2.46
	63	10.41	2.26
	64	9.52	2.07
	65	8.65	1.88
	66	7.82	1.70
	67	7.00	1.52
	68	7.51	1.63
	69	8.03	1.74
	70	8.54	1.86
	71	9.05	1.97
	72	9.56	2.08
	73	10.08	2.19
	74	10.59	2.30
	75	11.10	2.41
	76	11.10	2.41
	77	11.06	2.40
	78	11.00	2.39
	79	10.89	2.37
	80	10.76	2.34
	81	10.62	2.31
	82	10.47	2.28
	83	10.31	2.24
	84	10.16	2.21
	85	10.00	2.17
	86	9.85	2.14
	87	9.70	2.11
	88	9.55	2.08
	89	9.40	2.04
	90	9.26	2.01
	91	9.12	1.98

	92	8.98	1.95
	93	8.84	1.92
	94	8.71	1.89
	95	8.58	1.86
	96	8.45	1.84
	97	8.32	1.81
	98	8.20	1.78
	99	8.07	1.76
	100	7.95	1.73
	101	7.84	1.70
	102	7.72	1.68
	103	7.61	1.66
	104	7.50	1.63
	105	7.40	1.61
	106	7.29	1.59
	107	7.19	1.56
	108	7.09	1.54
	109	7.00	1.52